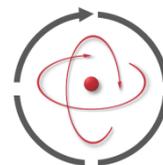




EUROCLEAR GROUP UK TAX STRATEGY



INTRODUCTION

- **Context**

The Euroclear group's tax strategy reflects its strong risk culture and the robust regulatory framework in which it operates. Consistent with its business principles, Euroclear understands the importance of strong tax control and tax risk management environments and seeks to conduct its tax affairs in compliance with legal and regulatory requirements.

The UK Finance Act 2016 imposes a legal requirement on all large business groups incorporated in the UK to publish a tax strategy online. In accordance with this new requirement, this document sets out Euroclear's policy and approach towards tax risk management and tax governance.

The Euroclear tax strategy ('the tax strategy') is approved by the Board of Euroclear plc. The Corporate Tax team and all responsible stakeholders regularly review the document, with any amendments subject to approval by the Board of Directors of Euroclear plc.

The tax strategy applies to the top group holding company (Euroclear plc) and all UK entities where Euroclear plc holds either directly or indirectly 50% or more of the share capital (see attachment).

The strategy is effective for year ending 31 December 2017 and will remain in effect until any amendments are approved by the Board of Directors of Euroclear plc.

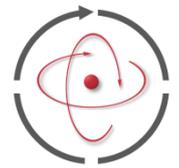
- **Euroclear UK tax strategy**

The tax strategy is centred around the following objectives:

1. Ensure that the tax strategy contributes to Euroclear's strong approach to risk management and transfer pricing policies and constitutes a key element in making major business decisions;
2. Ensure that tax planning solutions are aligned with Euroclear business strategies, policies and core values (encapsulated in the word "REACH": Respect Effective Accountable Client first Helpful);
3. Comply with its fiscal obligations with regard to the management and payment of the correct amount of required tax;
4. Ensure a consistent and harmonised application of the tax strategy for all entities in scope, with a clear definition of roles, responsibilities and accountability;
5. Adopt constructive and transparent relationships with the tax authorities.



EUROCLEAR GROUP UK TAX STRATEGY



1 TAX RISK MANAGEMENT

Euroclear places vital importance on maintaining a strong reputation in the financial industry for its safety and resilience and for the quality of its products and post-trade services. In this context, the Board of Euroclear Plc considers that a strong and effective risk governance framework, underpinned by a sound risk culture, is critical to the overall effectiveness of the group's risk management.

Consistent with its overall risk governance approach, Euroclear observes high standards of diligence and care in the management of all tax risks. Euroclear acts as a responsible tax payer and ensures that its tax risks are managed in such way to safeguard the group reputation, which implies the following:

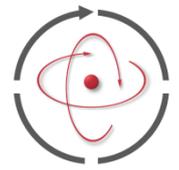
- Ensure that the tax compliance obligations are satisfied in a timely manner and in accordance with the applicable laws. This is monitored closely for corporate tax and value added tax through the implementation of a control framework put in place;
- Assess the tax risks linked to Euroclear business activities, ensure tax governance and principles are applied consistently within the group, and take appropriate actions to limit any tax risk by way of high quality tax advice, agreements with the tax authorities or open and transparent discussions with the tax authorities;
- Proactively manage tax audits and tax litigations.

2 TAX PLANNING

Euroclear seeks to conduct its business activities in a tax efficient way, notably through the use of available tax incentives and reliefs allowed by local laws and regulations.

The decision-making process within Euroclear is never solely nor primarily guided by tax savings. Tax matters are carefully considered in all business decisions and tax planning strategies are always aligned with Euroclear business strategies. This implies the following:

- Appropriate tax advice is sought in respect of all major acquisitions or structuring operations implemented or contemplated within the group;
- Tax advisors are consulted on complex transactions especially in cases where there is uncertainty as to the application or interpretation of tax regulations;
- Euroclear refrains from entering into transactions which could be seen as abusive practices;
- Euroclear never engages in aggressive tax planning schemes and seeks agreements from tax authorities whenever it is essential to obtain legal certainty and predictability.



3 COMPLIANCE WITH TAX REGULATIONS

Euroclear is committed to paying the correct amount of taxes legally due in all jurisdictions. Euroclear acknowledges that it is essential to prepare accurate tax computations as well as to fulfil all tax reporting obligations and make all tax payments in a timely manner.

Euroclear engages to take appropriate actions in order to achieve this goal:

- For corporation tax and value added tax, external professionals have been engaged to prepare the tax computations of all entities (operating within a well-defined and governed control framework);
- Euroclear has implemented an internal control framework aiming to increase its tax operational efficiency and to strengthen its internal controls (under the principle of the three lines of defence);
- Tax specialists are consulted on major or complex transactions and appropriate written advice evidencing the facts, risks and recommendations is requested on particular issues, especially in cases where there is uncertainty as to the application or interpretation of tax regulations;
- Euroclear seeks agreement from tax authorities whenever it is essential to obtain legal certainty and predictability;
- In respect of legislative changes, Euroclear follows up closely and receives regular updates from external tax advisers.

4 TAX ROLES AND RESPONSIBILITIES

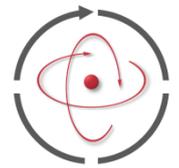
Euroclear is committed to ensuring governance and assurance procedures are appropriate. Improvements are effected on a continuous basis.

Specifically regarding corporation tax and value added tax, the function is organized as part of the Finance division. The Corporate Tax team together with the Chief Financial Officer of each entity is responsible for implementing the tax framework and certifying tax compliance to the relevant tax authorities. A tax internal control and accountability framework has been implemented to manage tax risks. The local Chief Financial Officers as well as the group Chief Financial Officer report to the Board of each relevant entity and keep the Board regularly informed of all relevant tax matters.

Regarding employment taxes, the function is organized as part of the Human Resources division. The local HR payroll manager together with the local outsourced payroll provider are – under the oversight of the local Head of Human Resources – responsible for deducting and paying all relevant employment taxes to the relevant authorities in line with the applicable local legislation.



EUROCLEAR GROUP UK TAX STRATEGY



Withholding taxes are not tax liabilities of the local entities nor of the group but are tax liabilities of their respective customers. They are managed by the entities on their behalf. In the same manner as regards to stamp duty taxes, Euroclear acts as a collection agent on behalf of the customers. Euroclear UK & Ireland Limited Head of Asset Servicing has implemented controls and documented procedures to ensure that tax compliance obligations are met in a timely manner and in accordance with applicable laws.

For new start-ups in which Euroclear group invests and in which the founders take part in the capital, similar controls are performed at secondary level.

In all cases, the Board of each entity remains ultimately responsible for the tax control framework.

5 RELATIONSHIP WITH TAX AUTHORITIES

Euroclear manages its relationship with tax authorities in such way as to reflect the group's culture and values.

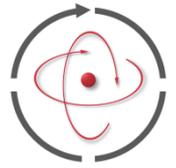
Euroclear fosters a constructive, open and transparent dialogue with tax authorities and seeks to develop a relationship based on trust and collaboration. Euroclear is committed to prompt disclosure and transparency in all tax matters with HMRC and all local tax authorities of its respective entities. The Euroclear risk status from an HMRC perspective is reviewed on a triannual basis and following the latest review in 2016 a low risk profile was assigned to Euroclear. This review covers the corporation tax, value added tax and the employment tax obligations of Euroclear plc, Euroclear UK & Ireland Limited and Euroclear SA London Branch.

In particular, Euroclear commits to:

- Make fair, accurate and timely disclosure through the tax returns and in all correspondence with the tax authorities;
- Communicate promptly any correction needed to previous tax filings;
- Early engagement on disputed matters;
- Respond promptly to queries and requests for information;
- Discuss significant issues, tax risks or tax planning solutions in an open and transparent way with the tax authorities ;
- With the help of external tax advisors, seek agreement on major tax issues requiring guidance on how to interpret the tax laws and regulations.



EUROCLEAR GROUP UK TAX STRATEGY



Euroclear Group entities

Corporate Information as at December 2017

Euroclear Plc is a "public limited company" registered in England and Wales (Companies House n° 1060802) with registered office at Watling House, 33 Cannon Street, London EC4M 5SB, United Kingdom and executive office at Baarermatte, 6340 Baar, Switzerland.

Euroclear Market Solutions (EMS) is a "private limited company" registered in England and Wales (Companies House n° 09362568) with registered office at Watling House, 33 Cannon Street, London EC4M 5SB, United Kingdom.

EMX Company Limited (Dormant) is a "private limited company" registered in England & Wales (Companies House n° 03586970) with registered address at Watling House, 33 Cannon Street, EC4M5SB London, United Kingdom.

Taskize Limited (70% owned by Euroclear SA/NV) is a "private limited company" registered in England and Wales (Companies House n° 07921239) with registered office at Watling House, 33 Cannon Street, London EC4M 5SB, United Kingdom.

DTCC-Euroclear Global Collateral Ltd. (50% owned by Euroclear SA/NV) is a "private limited company" registered in England & Wales (Companies House N° 09237676) with registered address at Watling House, 33 Cannon Street, London EC4M 5SB, United Kingdom.

Euroclear UK & Ireland Limited is a "private limited company" registered in England and Wales (Companies House n° 2878738) with registered address at Watling House, 33 Cannon Street, London EC4M 5SB, United Kingdom.

CRESTCo Limited, is a "private limited company" registered in England and Wales (Companies House n° 6179984) with registered address at Watling House, 33 Cannon Street, London EC4M 5SB, United Kingdom.

Euroclear UK & Ireland Limited Nominee Companies (all "private limited companies"):
CREST Depository Limited is registered in England & Wales (Companies House No. 3133256) with registered address at Watling House, 33 Cannon Street, EC4M 5SB London, United Kingdom.

CREST Stamp Nominee (No1) Limited is registered in England & Wales (Companies House No. 3206552) with registered address at Watling House, 33 Cannon Street, EC4M 5SB London, United Kingdom.

CREST Stamp Nominee (No2) Limited is registered in England & Wales (Companies House No. 3251416) with registered address at Watling House, 33 Cannon Street, EC4M 5SB London, United Kingdom.

CREST USD Nominee Limited is registered in England & Wales (Companies House No. Companies House No. 10337486) with registered address at Watling House, 33 Cannon Street, EC4M 5SB London, United Kingdom.

Trinity Nominees Limited is registered in England & Wales (Companies House No. 3251393) with registered address at Watling House, 33 Cannon Street, EC4M 5SB London, United Kingdom.

Euroclear Bank Nominee Companies (all "private limited companies"):

EC Nominees Limited is registered in England & Wales (Company No. 02020401) with registered address at Watling House, 33 Cannon Street, EC4M 5SB London, United Kingdom

EOC Equity Limited is registered in England & Wales (Companies House No. 02873588) with registered address at Watling House, 33 Cannon Street, EC4M 5SB London, United Kingdom

Euroclear Nominees Limited is registered in England & Wales (Company No. 02369969) with registered address at Watling House, 33 Cannon Street, EC4M 5SB London, United Kingdom

Euroclear Treasury Nominee Limited is registered in England & Wales (Company No. 08378377) with registered address at Watling House, 33 Cannon Street, EC4M 5SB London, United Kingdom

FundSettle EOC Nominees Limited is registered in England & Wales (Company No. 02873590) with registered address at Watling House, 33 Cannon Street, EC4M 5SB London, United Kingdom